

## EMPLOYER'S ADULT EDUCATION CREDIT

For calendar 1999 or years beginning \_\_\_\_\_, 1998 and ending \_\_\_\_\_, 1999

READ INSTRUCTIONS ON THE BACK.

ATTACH TO YOUR RHODE ISLAND RETURN.

\_\_\_\_\_  
Taxpayer Name(s)

\_\_\_\_\_  
Identifying Number (SSN or FEIN)

\_\_\_\_\_  
Address: Street

\_\_\_\_\_  
City/town

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

List below names and information for each employee for whom qualifying costs are claimed. The employee must remain in the employ of the business for a minimum period of 13 consecutive weeks AND a minimum of 455 hours of paid employment BEFORE the employer can claim the credit. Add pages as needed.

Employee name	Social Security #	\$ Costs this employee	Costs X 25%	Credit Max. \$200.

- |  |    |        |
|--|----|--------|
| 1. Total Credits above   | \$ |        |
| 2. Maximum credit per year   | \$ | 1,000. |
| 3. Credit - lesser of Line 1 or 2  | \$ |        |
| 4. Tax Credit used - enter on appropriate line of your return. See limits and instructions | \$ |        |

Instructions: Calculate the credit per-employee by multiplying the costs incurred solely and directly for qualifying adult education for each qualifying employee by 25% and entering the results in the columns above. Enter the lesser of 25% of costs or \$200 as the maximum per employee. Enter the total of all credits per employee on Line 1 above. Compare with the maximum total credit allowable on Line 2 and enter the smaller of Lines 1 and 2 on Line 3. Refer to instructions on reverse side for limitations of the credit to be used. Enter amount of credit used on Line 4 above and the proper line of your tax form.

## EMPLOYER'S ADULT EDUCATION TAX CREDIT

**I. General:** In general, a taxpayer who is an employer will be allowed a credit against the tax imposed by Chapters 11, 13, 14, 15, 17 and 30 of Title 44. The amount of the credit is 25% of the costs incurred solely and directly for worksite- or non-worksite-based adult education programs as specifically defined.

### **II. Definitions:**

- A. "Worksite-based" means a physical location in this state at which the taxpayer conducts his, her or its normal trade or business.
- B. "Nonworksite-based" means other than "worksite-based".
- C. "Adult education programs" are limited to:
  - 1. Basic education, which shall consist of efforts to alleviate illiteracy and provide opportunities for academic achievement up to grade twelve (12) and which shall include instruction in reading, writing, arithmetic, literature, social studies, science, pre-vocational subjects, and other knowledge and skills necessary to cope in contemporary life; courses in Americanization and citizenship for immigrants; teaching English to persons with no or limited ability with the language; and preparation for the demonstration of competencies to qualify for the adult high school diploma or for examinations to earn the general education development or high school equivalency diploma; and
  - 2. Vocational training, which shall consist of the imparting of knowledge and skills necessary to become gainfully employed, at least at entry level, in a recognized occupation, and thus attain economic self-sufficiency, and which shall be conveyed by classroom instruction, on the job training, and apprenticeships.
- D. "Employer" means a person, corporation, partnership, estate or trust subject to the provisions of Title 44, Chapter 30, Section 71.
- E. "Paid employment" means a period of time during which an employee has been hired by a business and is receiving wages for his or her services.

**III. Employment requirements:** The employee for whose adult educational programs credit is claimed by the employer must remain in the employ of the business for a minimum period of thirteen (13) consecutive weeks and a minimum of four hundred and fifty-five (455) hours of paid employment before the employer can become eligible for the credit.

**IV. Calculation of the credit:** The credit is 25% of the costs incurred solely and directly for non-worksite or worksite-based adult education programs.

### **VI. Limitations on the credit and miscellaneous:**

- A. The maximum credit per employee is \$200; and the maximum credit per taxable year per employer is \$1,000; the credit is not refundable and amounts of credit not deductible in the taxable year may not be carried over to the following year.
- C. The credit cannot reduce the Business Corporation Tax (Title 44, Chapter 11) to less than the minimum required.
- D. In the event that the employer is a partnership, joint venture or small business corporation, the credit shall be divided in the same manner as income.

**VII. Order of credit usage:** This credit may not be applied against the tax until all other credits available to this taxpayer for the taxable year have been applied.